



(Original Signature of Member)

111TH CONGRESS
1ST SESSION

H. R. _____

To amend the Truth in Lending Act to prevent certain unfair practices
by credit card issuers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. MASSA introduced the following bill; which was referred to the Committee
on _____

A BILL

To amend the Truth in Lending Act to prevent certain
unfair practices by credit card issuers, and for other
purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "American Credit Card
5 Reform Act".

1 **SEC. 2. LIMIT ON CREDIT CARD INTEREST RATES.**

2 Section 107 of the Truth in Lending Act (U.S.C.
3 1606) is amended by adding at the end the following new
4 subsection:

5 “(f) CONSUMER CREDIT CARD INTEREST RATE
6 CAP.—The annual percentage rate applicable to any ex-
7 tension of credit on a credit card account under an open
8 end consumer credit plan may not exceed 14 percent.”.

9 **SEC. 3. PROHIBITION ON TRANSFER FEES.**

10 Section 127 of the Truth in Lending Act (15 U.S.C.
11 1637) is amended by adding at the end the following new
12 subsection:

13 “(i) PROHIBITION ON CREDIT CARD TRANSFER
14 FEES.—No credit card issuer under an open end con-
15 sumer credit plan may impose any fee or penalty in con-
16 nection with a transaction initiated by a consumer in
17 which the applies credit extended under such credit plan
18 to reduce an outstanding balance on another credit card
19 account held by such consumer.”.

20 **SEC. 4. PROHIBITION ON PREDATORY ADVERTISING ON**
21 **COLLEGE CAMPUSES.**

22 (a) IN GENERAL.—Chapter 3 of the Truth in Lend-
23 ing Act (15 U.S.C. 1661 et seq.) is amended by adding
24 at the end the following new section:

1 **“§ 148. Advertising on college campuses prohibited**

2 “(a) IN GENERAL.—No credit card issuer under an
3 open end consumer credit plan may advertise any credit
4 card account on any grounds of an institution of higher
5 education through the distribution of written applications
6 or solicitations on such grounds.

7 “(b) INSTITUTION OF HIGHER EDUCATION.—The
8 term ‘institution of higher education’ has the same mean-
9 ing as in section 101(a) of the Higher Education Act of
10 1965 (20 U.S.C. 1001(a)).”.

11 (b) CLERICAL AMENDMENT.—The table of sections
12 for chapter 3 of the Truth in Lending Act is amended
13 by inserting after the item relating to section 147 the fol-
14 lowing new item:

“148. Advertising on college campuses prohibited.”.

15 **SEC. 5. PROHIBITION ON CHANGING TERMS OF CREDIT**
16 **CARD ACCOUNT IF CONSUMER IS IN FULL**
17 **COMPLIANCE WITH SUCH TERMS.**

18 Section 127 of the Truth in Lending Act (15 U.S.C.
19 1637) is amended by inserting after subsection (i) (as
20 added by section 3 of this Act) the following new sub-
21 section:

22 “(j) PROHIBITION ON CHANGING TERMS OF CREDIT
23 CARD ACCOUNT WITH WHICH CONSUMER IS IN COMPLI-
24 ANCE.—A credit card issuer may not amend or change the
25 terms of a credit card contract or agreement under an

1 open end consumer credit plan so long as the consumer
2 remains in full compliance with the existing terms of such
3 contract or agreement.”.

4 **SEC. 6. ESTABLISHMENT OF DUE DATES FOR PERIODIC**
5 **PAYMENTS ON CONSUMER CREDIT CARD AC-**
6 **COUNTS.**

7 Section 127 of the Truth in Lending Act (15 U.S.C.
8 1637) is amended by inserting after subsection (j) (as
9 added by section 5 of this Act) the following new sub-
10 section:

11 “(k) **DUE DATE FOR PERIODIC PAYMENT.**—The due
12 date for any periodic payment on an outstanding balance
13 on a credit card account under an open end consumer
14 credit plan may not be less than 30 days after—

15 “(1) the date of the postmark on the envelope
16 in which the periodic statement provided under sub-
17 section (b) applicable to such period was sent to the
18 consumer; or

19 “(2) if no postmark appears on the envelope,
20 the date that is 3 days after the closing date of such
21 periodic statement.”.